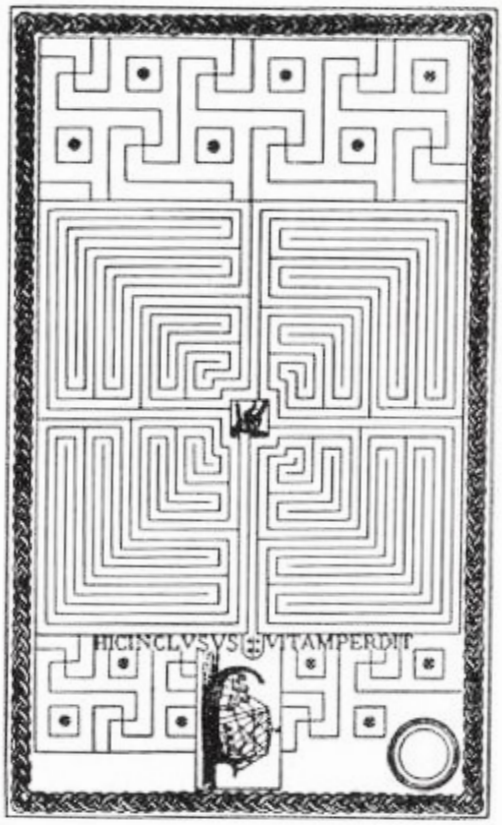
The Great Détournement

The Miran Doctrine and the Trump Shock



This article is part of a collective effort to clarify the dynamics of the new epoch we are entering. Each week, our working group examines and discusses a text tied to current events in order to draw out its theses. What follows is a revised version of the discussion from one such session, devoted to the "Miran Doctrine" and its implications for the international circuit of capital.

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Réalité is a France based collective that confronts the turbulence of the present moment with the demand for a rigorous communist inquiry. Without dogma or posturing, we are building tools of analysis to make sense of the profound upheavals shaping our time.

The whole world has denounced Trump's tariffs as erratic and unjustified. Yet what has come to be known as the "Miran Doctrine" — named after the current administration's chief economic adviser — suggests that things are not so simple. His forty-page document lays out two essential arguments: first, that the April 2nd announcements do indeed follow a clear strategic roadmap; and second, that the tariffs in question serve a purpose that goes well beyond traditional trade policy. [1]

We won't revisit here in detail the announcements that rattled Wall Street, nor the partial backtracking that followed, along with its real or supposed causes. Suffice it to say that this reversal was only partial, and that the implementation of the "reciprocal" tariffs, as of this writing, has merely been postponed.

Reading the "Miran Doctrine" struck us as necessary to grasp the Trump administration's approach. The handful of interpretations circulating tends to take the document at face value — seeing in it either the grand plan of a villain or the roadmap of a savior. Our aim here is to move beyond such superficial readings. We offer a concise summary of the document and attempt to unpack its wider implications and stakes.

The "Miran Doctrine" 101

Stephen Miran, now chair of the White House Council of Economic Advisers, had already worked at the Treasury Department during Trump's first term. The document we will examine is titled A User's Guide to Restructuring the Global Trading System, published in November 2024 by Hudson Bay Capital's research division, the investment fund where Miran worked during the Biden administration. Since the current administration took office, however, various official statements and papers from Miran have closely echoed the themes and framework of A User's Guide. In this sense, it's reasonable to treat the document as a de facto roadmap for key areas of the administration's economic policy.

As we noted above, the analysis and policy recommendations in this document extend far beyond trade. In fact, they address the major commercial, financial, and monetary (dis)equilibria that define globalization — equilibria the United States played a central role in

shaping. Crucially, they do so from a perspective that challenges liberal orthodoxy on multiple fronts. Hence, one finds in the text a redistributive vision, a critique of finance (Wall Street vs. Main Street), and of the deindustrialization that has afflicted the U.S. over recent decades. One can also discern the outline of a nationalist social compromise between segments of industrial capital and the American working class. It is worth noting how tightly the analysis is focused on domestic conditions and indicators — trade balances, for instance. This focus may seem paradoxical, given the sprawling global reach of U.S. capital. We will return to this.

At the heart of the "Miran Doctrine" lies a reversal of the usual view of the U.S. dollar. Rather than seeing it as an "exorbitant privilege," Miran presents it as an exorbitant burden. The conventional wisdom holds that global demand for dollars — particularly in the form of U.S. Treasury bonds — is a consequence of trade imbalances that leave various countries in a creditor position vis-à-vis the United States. According to this view, it is the weakness of U.S. exports, combined with the size and openness of the American market, that generates foreign trade surpluses, which are then recycled into Treasuries and other dollar-denominated assets.

Miran flips this causality: he treats trade imbalances as a consequence of the dollar's international role. By supplying the world with its reserve currency and Treasury securities, the United States provides a kind of service to the rest of the world. But this service comes at a cost — most significantly, a chronically overvalued dollar. As Miran puts it:

"The deep unhappiness with the prevailing economic order is rooted in persistent overvaluation of the dollar and asymmetric trade conditions. Such overvaluation makes U.S. exports less competitive, U.S. imports cheaper, and handicaps American manufacturing. Manufacturing employment declines as factories close. Those local economies subside, many working families are unable to support themselves and become addicted to government handouts or opioids"2

To support this view, Miran draws on a variant of what monetary theorists call the Triffin dilemma, named after economist Robert Triffin (1911-1993). In his 1960 book Gold and the Dollar Crisis, Triffin argued that no national currency can serve as a global currency indefinitely because its domestic and international functions will inevitably come into conflict. Normally, cross-border flows of money — via trade, foreign direct investment,

tourism, etc. — cause a currency to appreciate or depreciate. But a currency that plays a global role must always be available in sufficient quantities to facilitate transactions and act as a reserve asset. This structural demand props up its value, even when outflows would normally weaken it. Under Bretton Woods, this contradiction was temporarily managed by linking the dollar to gold at a fixed rate ($35 per ounce). But Triffin foresaw that global demand for dollars would ultimately outpace U.S. gold reserves. Other countries would then try to convert their dollar holdings into gold, only to discover there wasn't enough to go around. This, he predicted, would bring an end to the dollar's role as the world's anchor currency.

This gold rush did effectively take place between 1965 and 1971. However, what Triffin didn't foresee was that the U.S. could reinvent its monetary and economic supremacy not as a global creditor (as it did under Bretton Woods), but as a global debtor. Such is the regime we've lived under since the Reagan era, with persistent twin deficits (budget and current account). For Miran, the Triffin dilemma has not disappeared, however — it has simply taken a new form: []{.mark}"America runs large current account deficits not because it imports too much, but it imports too much because it must export USTs to provide reserve assets and facilitate global growth."3 In other words, the dollar's expanding global role in the age of globalization — postCold War, post-China's opening — has come at the expense of U.S. manufacturing competitiveness.

Miran is far from blind to the dollar's advantages. He understands that its reserve currency status allows the U.S. government to borrow heavily and at low interest rates. He also knows that its use in global transactions gives Washington the ability to pass part of its foreign policy through its currency (this is the "weaponization" of the dollar, visible most clearly in sanctions against Russia). Contrary to what a strict reading of the Triffin dilemma might imply, Miran does not propose sacrificing the dollar's international status in the name of domestic economic revival. On the contrary, it is precisely this international leverage he wants to deploy, arguing that the U.S. can []{.mark}"achieve foreign policy ends of weakening enemies without having to mobilize a single soldier."4 The doctrine's ultimate aim, then, is to weaken the dollar's value without forfeiting its privileges. But how can one have both at the same time?

Miran proposes a two-step strategy. First, he argues, the U.S. should tightly link its military umbrella and tariff regime — making access to security conditional on compliance with

economic demands. Second, it should initiate an international negotiation to coordinate a devaluation of the dollar.

The first step involves imposing tariffs. Their precise levels are of secondary concern. As Miran repeatedly notes, tariffs are not an end in themselves, but rather bargaining chips for a future "deal," or failing that, for bilateral agreements. Tariffs, in his view, can serve as a lever not only in trade negotiations, but also in foreign policy more broadly. He gives a range of examples:"Does the nation apply similar tariff rates to their imports from the U.S. as America does on their exports here?",

"Does the nation pay its NATO obligations in full? Does the nation side with China, Russia, and Iran in key international disputes, for instance at the United Nations?", or "Do the nation's leaders grandstand against the United States in the international theater?"5

In Miran's view, even if negotiations fail and retaliation follows, the U.S. can still benefit. For example:

"Suppose the U.S. levels tariffs on NATO partners and threatens to weaken its NATO joint defense obligations if it is hit with retaliatory tariffs. If Europe retaliates but dramatically boosts its own defense expenditures and capabilities, alleviating the United States' burden for global security and threatening less overextension of our capabilities, it will have accomplished several goals. Europe taking a greater role in its own defense allows the U.S. to concentrate more on China, which is a far greater economic and national security threat to America than Russia is, while generating revenue."6

This is a bold strategy that cannot be implemented without turbulence — including on the domestic front. In mainstream commentary, it is often said that tariffs have an inflationary effect for American consumers. As others have pointed out before us,7 this is something of a mischaracterization. "Inflation" — whether high or low — refers to a relatively sustained rise in producer and consumer prices. The introduction of a tariff, by contrast, affects only the prices of the goods to which it applies, and only once. The effect is no different from any other indirect tax — like VAT or fuel taxes. One might object that the consequences for consumers are the same either way, but that is not quite accurate: in one case we have a steady transfer of income from buyer to state, while in the other, what is at stake is a growing erosion of the denominator in which that income is expressed. Moreover, from the state's point of view, it is far simpler to roll back an unpopular tax (as in the case of the ecotax that

sparked the Yellow Vests movement in 2018) than to bring inflation back down once it has taken hold.

In any case, Miran envisions a set of measures to counter this supposedly "inflationary" effect of tariffs. Beyond tax cuts, especially for struggling households, he includes measures like the deregulation of domestic energy production to boost the supply of oil and gas and drive prices down. Miran also considers a potential appreciation of the dollar, which at first glance might appear to contradict his core argument. During the first Trump administration (in 2018--2019), tariffs on Chinese goods were largely offset by a depreciation of the renminbi relative to the dollar. The kind of dollar appreciation he now anticipates would be temporary, serving only to absorb the one-time shock caused by the introduction of new tariffs. In any case, this is not what we have seen in recent weeks, since the dollar has in fact depreciated.

The Mar-a-Lago Accords: A New Plaza Accords or Bretton Woods III?

Let us now turn to the second phase of the plan: an international agreement to reshape the global monetary system — one in which the dollar would retain a central role while foreign states would be compelled to accept its devaluation.

These accords, explicitly described by Miran as the future "Mar-a-Lago Accords,"8 would be the culmination of the negotiations opened by the tariff offensive. The goal would be a broad multilateral effort to devalue the dollar by pushing up the value of other currencies, thereby making U.S. manufactured exports more competitive — all while preserving the dollar's status as the key global currency.

The precedent that comes to mind is the 1985 Plaza Accords, which also aimed to devalue the dollar through coordinated appreciation of the yen and the Deutsche Mark. But there are two key differences. First, the Plaza Accord was concluded between the U.S. and its subordinates, whereas any Mar-a-Lago Accords would have to include China — now considered the U.S.'s peer competitor. Second, the U.S. federal debt has risen from about 40% to 126% of GDP since 1985. A dollar devaluation could prompt many holders of U.S. Treasuries to dump their assets. To address this risk, Miran proposes that "reserve selling can be accompanied by term-out of remaining reserve holdings."9 In the event of a mass sell-off of Treasuries, the U.S. could buy back a portion (via the Federal Reserve) and either exchange

them or issue new bonds with much longer maturities — up to a hundred years, or even perpetual debt instruments.

But why would foreign countries accept such a deal? Miran offers two answers: the threat of tariffs, and the threat to the American security umbrella. The broad contours of the agreement are as follows:

"Such a Mar-a-Lago Accord gives form to a 21st Century version of a multilateral currency agreement. President Trump will want foreigners to help pay for the security zone provided by the United States. A reduction in the value of the dollar helps create manufacturing jobs in America and reallocates aggregate demand from the rest of the world to the U.S. The term-out of reserve debt helps prevent financial market volatility and the economic damage that would ensue. Multiple goals are accomplished with one agreement."10

The threats to the U.S. security umbrella are already pushing European countries to rearm. Of course, in the longer term, some states (notably Germany) may seek to use this rearmament to emancipate themselves from U.S. protection. But for now, and contrary to the prevailing discourse that treats this rearmament as a step toward European "strategic autonomy," it aligns perfectly with Washington's goals. It also demonstrates that the administration's hardball diplomacy is far from the ineffective bluster portrayed in the media. In the wake of the April 2^nd^ announcements, over 75 countries have already reached out to the White House to open negotiations as quickly as possible.

What remains to be seen is how states outside the U.S. alliance system will respond to these pressures. The key question is whether the proposed Mar-a-Lago Accords will be merely a reconfiguration of the existing monetary order — like the Plaza Accord in 1985 — or whether they will mark the foundation of an entirely new one. It's far from certain that such a system could be rebuilt without passing through a phase of open military confrontation. Recall that the original Bretton Woods conference (1944) was only possible near the end of the Second World War, when the outcome of the conflict was clear and most of the participating nations, aside from the U.S., were exhausted and bleeding out.

In any case, the U.S. will be forced to resolve a fundamental issue that the "Miran Doctrine" touches on only in passing:11 to what extent does the American state stand behind the creation of dollars outside its borders? During past crises (2008 and 2020), these offshore dollars — now exceeding in volume those created domestically — have prompted the Federal Reserve to supply dollars to allied central banks to prevent the collapse of their banking and

financial systems. In effect, the Fed has acted as lender of last resort (and guarantor of social peace) not just for the U.S. economy, but for much of the American alliance network. Yet there is no binding agreement requiring it to do so in the future. Any U.S. military disengagement from a given region could be interpreted as a signal of financial and monetary withdrawal as well. In this sense, the future of dedollarization may hang in the balance. So far, de-dollarization has proceeded mainly as diversification — smaller currencies gaining ground against the dominant ones. But if the Trumpian turn ultimately means restricting the dollar's reach to a narrower portion of the globe, the rest of the world will have to adapt. Other countries — China above all — would then be forced to step in and guarantee financial stability in their respective regions.

Toward a Nationalist Social Compromise?

It is well known that the Trumpist galaxy encompasses a mix of contradictory tendencies — from technophile anarcho-capitalism to Christian nationalism, and even quasi-völkisch plebeian currents. But once in power, Trumpism has been necessarily forced to part ways with the cultural ferment that has revitalized it, and to stabilize around a more realistic line of governance. That stabilization is still underway, which explains the cloud of confusion surrounding the administration's current behavior — and the delight of its critics. Nonetheless, the recommendations of the "Miran Doctrine" appear to be taking concrete shape (at least in part), while the once-inflated political importance of a figure like Elon Musk — representative of the libertarian wing — has already been sharply scaled back.

We have seen that Miran emphasizes the burden, rather than the privileges, associated with the dollar. More broadly, he tends to prioritize the American domestic context over the global economic and military projection of the United States, especially beyond the Western Hemisphere. This invites the question: is the Trump administration's assertiveness an attempt to rebalance the two, at a moment when the atrophy of the former is beginning to threaten the continuation of the latter? Several factors suggest that this may indeed be the case.

The first point to note is that the Trump administration had most likely anticipated that the April 2 announcements would trigger a shock in financial markets. Without claiming that every consequence was fully under control — especially in the bond market — it's worth noting that the administration had factored in the market volatility its actions would cause as

early as 2025, and since then it has made little effort to reassure investors. Trump, Lutnick, Bessent, Miran himself — they all acknowledge that the economy will deteriorate in the short term but insist this is the price to pay for future prosperity. The administration's willingness to confront Wall Street headon is now undeniable. Moreover, this shock may be only in its early stages, especially as the tariffs are still being phased in and further developments could be of major significance.

Let us also recall that this is not the first time the United States has chosen to unleash a major economic shock. The Nixon Shock of 1971 and the Volcker Shock of 1979 come to mind. From this point of view, comparisons with what is already being called the "Trump Shock" seem entirely legitimate. In particular, the analogy with the Volcker Shock — named after the then-chair of the Federal Reserve — strikes us as the most relevant. Let us take a closer look.

By dramatically raising interest rates, the Volcker Shock triggered a recession (1980--82) and set in motion a profound transformation of American and global capitalism that reached its culmination some fifteen years later. On one hand, the resulting appreciation of the dollar encouraged large American firms to accelerate their internationalization, investing even more heavily abroad, often at the expense of the U.S. domestic context. On the other hand, the surge ininterest rates attracted global savings into U.S. financial markets. Over the decades, this made the United States the sponge for the trade surpluses of the other major exporting nations (Germany, Japan, China, and a few others) — both as a consumer market and as a financial market in which those surpluses were recycled. But it must be stressed that these surpluses were not just the result of German, Japanese, Chinese, or South Korean firms. They were also and above all the result of U.S. firms themselves, who were among the most active participants in globalization and the construction of global value chains.

A break with the Volcker-era path would undoubtedly involve the repatriation of some U.S. capital invested abroad — but not only that. In many cases, the most globalized American multinationals will be subject to the same tariffs as foreign firms. Likewise, the latter will be forced to relocate part of their operations to the U.S. in order to circumvent tariffs and retain access to the American market. This means that the Trump administration's industrial policy cannot be reduced to the notion of reshoring. The tariffs will also act as an incentive for increased foreign direct investment in the United States.

This trajectory appears to sketch the outline of a new social compromise — one in many ways the analogue of the compromise that Volcker set out to destroy. There are, however, two keydifferences. First, the new version is strikingly nationalist in character. Second, its

economic policy measures diverge sharply from those of the New Deal under Franklin D. Roosevelt or Lyndon Johnson's Great Society. The Trump administration's emphasis on industrial revival echoes Dani Rodrik's concept of "productivism"12 — a post-globalization regime much more centered on manufacturing than neoliberalism was, but one that, unlike Keynesianism, is defined by supplyside rather than demand-side policies. The common misreading of Trumpism as merely an authoritarian variant of neoliberalism stems from this distinction.

The support of major labor unions at the onset of this economic war also aligns with the analysis above. Just days before the declaration of Liberation Day, the UAW was already communicating in positive terms about the tariffs, addressing an audience of blue-collar workers alongside union leaders. It welcomed the tariffs as a very positive development for U.S. auto workers and hailed them as marking the imminent end of NAFTA and the free-trade plague. It will be worth watching figures like Secretary of Labor Lori Chavez-DeRemer — a pro-labor conservative — to see whether she plays a significant role in this administration.

With the prospect of an industrial revival on the table, the American working class appears poised to regain numerical weight and a central place in U.S. society. Some of the measures enacted under Biden (such as the CHIPS and Science Act, and the Inflation Reduction Act) already pointed in this direction. What distinguishes Trump's second term is the explicit admission that this development must come at the expense of the rest of the world — and of America's own subordinates in particular.

Conclusion

The initiatives undertaken by the second Trump administration suggest that the American state is in the process of reversing the broad orientations it has followed for the past forty years. The arrivalof the new administration may seem to have marked this shift suddenly, but in reality, it had been brewing gradually for many years — at least since the Obama era.

Now, the administration has made it officially known, urbi et orbi, that the old globalist orientations are no longer in effect, and that everything must change for America to remain America. This holds true both for foreign policy in the narrow sense and for economic policy toward other nations — the two being intimately linked.

As for the latter, the scale of the tariffs announced and the deliberate triggering of an economic and financial shock signal a clear intention on the part of the American administration — or at least its key sectors — not to stall any longer in a futile defense of the status quo, but to initiate a thorough transformation of global capitalism. If such a transformation is to occur, and if it requires a tactical retreat by the American state, then the latter is plainly attempting to retain the initiative and control of the process, leveraging the full arsenal of its imperial tools — monetary, military, and otherwise — more or less in line with the prescriptions of the "Miran Doctrine."

However, contrary to appearances, in this supposedly "tariff-based" confrontation, the American state is addressing not just foreign governments and foreign capital, but also American capital —especially the segments invested abroad. Through this channel, it is also addressing the subaltern classes of the entire planet, across their various layers and fractions (the proletariat, traditional and modern middle classes, the peasantry, etc.).

Ultimately, this deliberate "shock" to the world economy — one that only the United States is in a position to unleash — should be understood as the first large-scale attempt to impose a reconfiguration of the capital-labor relation on a global scale. The dice are cast.

Réalité is neither a social circle for sterile debate, nor the premature embryo of yet another organization bound to mimic itself endlessly. It ft he dogged, still-undefined but focused effort of those who understand that the formation of communist thought cannot be decreed — it must be forged through the rigor of collective work. Aware that the present cannot be grasped through the categories ft he past alone, ft he been working on, week after week, from France and Italy, the critical tools needed to read the convulsions ft he current moment. Each Sunday, a text is submitted not to opinion, but to scrutiny — with the aim of wresting from events their political meaning. What emerges does not aspire to doctrine, but traces a path: that of a communism that relinquishes neither theoretical clarity nor the materiality ft he real. We publish the results of this work at realite.world.

1 For a longer form reflection see here

2 Stephen Miran, "A User's Guide to Restructuring the Global Trading System," *Hudson Bay

Capital,* November 2024, 5

3 Ibid.,*.*7.

4 Ibid., 10.

5 Ibid., 23.

6 Ibid., 26.

7 Alerta Comunista, *Tariffonomicon*, 18 April 2025.

8 Miran, "A User's Guide," 28.

9 Ibid., 29.

10 Ibid., 29.

11 Ibid., 29.

12 Dani Rodrik, "On productivism," HKS Working Paper n° RWP23-012, March 2023.